REMARKS

Applicants have carefully reviewed the Office Action mailed March 13, 2007. Claims 1, 26-28, and 35 are amended, and claims 39 and 40 are cancelled. Support for the amended claims may found in the specification at, for example, paragraphs 57-63. Upon entry of the amendments, claims 1-38 are pending, with claims 1, 4, 29, 31, and 35 being independent claims. Reconsideration is respectfully requested in view of the foregoing amendments and the comments set forth below.

35 U.S.C. § 101 Rejections

1. In the Office Action on pages 17-22 in section 11, claims 1-40 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter due to not reciting a useful, concrete, and tangible result. As noted above, claims 39 and 40 are cancelled. The Applicant respectfully traverses the rejections.

In rejecting claims 1-40, the Office Action cites State Street Bank & Trust Co. v. Signature Financial Group Inc., 149 F.3d 1368 (Fed. Cir. 1998), for support in applying the useful, concrete, and tangible result test and further cites the Interim Guidelines for Examination of Patent Applications for Patent Subject Matter Elgibility (November 22, 2005) (hereinafter Interim Guidelines) for support in requiring that a useful, concrete, and tangible result be recited in the claims. Although the State Street Bank case does set forth the useful, concrete, and tangible result test, the Office Action and the Interim Guidelines are misguided in its application. In particular, State Street Bank does **not** require that the useful, concrete, and tangible result be recited in the claims.

In State Street Bank, the claim at issue was claim 1:

1. A data processing system for managing a financial services configuration of a portfolio established as a partnership, each partner being one of a plurality of funds, comprising:

(a) computer processor means for processing data;

(b) storage means for storing data on a storage medium;

(c) first means for initializing the storage medium;

(d) second means for processing data regarding assets in the portfolio and each of the funds from a previous day and data regarding increases or decreases in each of the funds, assets and for allocating the percentage share that each fund holds in the portfolio;

(e) third means for processing data regarding daily incremental income, expenses, and net realized gain or loss for the portfolio and for allocating such data among each fund;

(f) fourth means for processing data regarding daily net unrealized gain or loss for the portfolio and for allocating such data among each fund; and

(g) fifth means for processing data regarding aggregate year-end income, expenses, and capital gain or loss for the portfolio and each of the funds.

State Street Bank, 149 F.3d at 1371-1372. The Federal Circuit found the useful, concrete, and tangible result to be "a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades." Id. at 1373. As can be seen from a review of claim 1, this useful, concrete, and tangible result is **not** recited in claim 1.

Thus, the Office Action and the Interim Guidelines are misguided in their application of the useful, concrete, and tangible result by requiring that the useful, concrete, and tangible result be recited in the claims. Instead, according to State Street Bank, the useful, concrete, and tangible result does **not** need to be recited in the claims.

Nonetheless, here, the useful, concrete, and tangible result is recited in both the claims and in the specification. For example, in independent claims 1, 4, 29, 31, and 35, the useful, concrete, and tangible result is the extraction of a pre-existing overlay from a video sequence. As discussed in the specification, extracting of a pre-existing overlay is beneficial in permitting, for example: greater compression efficiency; rapid retrieval of video segments; enforcement of

intellectual property rights; and re-creating the video with modified content. See, e.g., specification, paragraphs 4-7. Hence, whether the useful, concrete, and tangible result test is applied correctly as in State Street Bank or as set forth in the Office Action and the Interim Guidelines, claims 1-40 satisfy this test and recite statutory subject matter.

In applying the useful, concrete, and tangible result test, the Office Action notes that the claims are directed to the extraction of a pre-existing overlay from a video sequence but concludes that such an extraction is abstract video processing and a mathematical procedure. Office Action, page 22. Contrary to this assertion by the Office Action, the extraction of a pre-existing overlay from a video sequence **is** a useful, concrete, and tangible result. As explained above, such an extraction beneficially permits a number of important video applications. This useful, concrete, and tangible result is exactly the type that the Federal Circuit would consider to comply with the statutory requirements.

In addition, in applying the useful, concrete, and tangible result test, the Office Action cites the definitions of "video" and "video processing" and expresses concern that these definitions are broad. Office Action, pages 3 and 22. However, broad recitations of a claim should not be addressed by rejections under section 101 but, rather, under the prior art requirements in sections 102 and 103 and the disclosure requirements in section 112. As the Federal Circuit noted in State Street Bank, "[w]hether the patent's claims are too broad to be patentable is not to be judged under § 101, but rather under §§ 102, 103 and 112." State Street Bank, 149 F.3d at 1377.

Therefore, claims 1-38 satisfy the useful, concrete, tangible result test and comply with the statutory requirements.

2. In the Office Action on pages 23-24 in section 11, claims 26, 39, and 40 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter due to reciting a carrier wave. As noted above, claims 39 and 40 are cancelled. The Applicant respectfully traverses the rejections.

In rejecting claim 26, the Office Action asserts that because a carrier wave is provided as an example of a computer-readable medium in the specification, the claim is non-statutory. According to the Interim Guidelines, a carrier wave is not a manufacture. Interim Guidelines, Annex IV(b). Here, amended claim 26 recites a manufacture. Specifically, claim 26, as amended, recites a "computer-readable medium containing computer-executable code for causing a computer to implement the method of Claim 1, wherein **the computer-readable medium is a manufacture**." Support for amended claim 26 may be found at, for example, specification, paragraph 14. By reciting "wherein the computer-readable medium is a manufacture," the computer-readable medium in amended claim 26 refers to a manufacture, exclusive of the carrier wave. Examples of such articles of manufacture include, for example, a magnetic hard disk; a floppy disk; an optical disk, like a CD-ROM or a DVD; a magnetic tape; and a memory chip. Specification, paragraph 14. Hence, claim 26 does not include a carrier wave and complies with the statutory requirements.

3. In the Office Action on pages 24-25 further in section 11, claims 1-40 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter due to preempting all general applications of the computer program and its mathematical formula. As noted above, claims 39 and 40 are cancelled. The Applicant respectfully traverses the rejection.

In rejecting claims 1-40, the Office Action apparently identifies the abstraction, law of nature, or natural phenomenon that is being preempted as the "video processing," which is defined in paragraph 19 of the specification. The Office Action asserts that the recitation of "video processing" in the claims preempts all substantial practical applications thereof. Contrary to the assertion by the Office Action, the independent claims do **not** preempt all substantial practical applications of video processing. As an example, Claim 1 does not preempt several substantial practical applications, such as, for example: non-video processing; video processing without using video processing equipment; extracting non-pre-existing overlays; extracting non-static overlays; extracting text only overlays; and extracting overlays that were not added to the original video sequence. Similar substantial practical applications are not preempted by the other independent claims.

In addition, in asserting that the claims preempt all substantial practical applications, the Office Action focuses on the definitions of "video" and "video processing" and expresses concern that these definitions are broad. Office Action, pages 3-4 and 24. However, broad recitations of a claim should not be addressed by rejections under section 101 but, rather, under the prior art requirements in sections 102 and 103 and the disclosure requirements in section 112. As the Federal Circuit noted in State Street Bank, "[w]hether the patent's claims are too broad to be patentable is not to be judged under § 101, but rather under §§ 102, 103 and 112." State Street Bank, 149 F.3d at 1377.

Therefore, claims 1-38 do not preempt all substantial practical applications of video processing and comply with the statutory requirements.

35 U.S.C. § 102 Rejection Based on Chun

4. In the Office Action on pages 5-9 in section 8, claims 1-3, 22, 23, 26, 27, and 39 are rejected under 35 U.S.C. § 102(b) as being unpatentable over B. Chun et al., "Text Extraction in Videos Using Topographical Features of Characters" (hereinafter Chun). As noted above, claim 39 is cancelled. The Applicant respectfully traverses the rejections.

Claim 1, as amended, recites a "method of video processing to be performed by video processing equipment, the method comprising: extracting a pre-existing static graphics only or text-graphics combination overlay present in a video sequence, said extracting comprising: detecting at least one potential overlay in the video sequence; and verifying that each at least one potential overlay is an actual static overlay that was previously added to an original video sequence to obtain said video sequence." Chun fails to teach, or fairly suggest, claim 1 for at least the following reason.

Chun fails to teach "extracting a **pre-existing static graphics only or text-graphics combination overlay** present in a video sequence" as recited in amended claim 1. In rejecting claim 1, the Office Action aligns the recited overlay with detecting text appearing in video of Chun. In particular, Chun teaches detecting and extracting character regions having **text** from video. Chun, Abstract; Figures 1, 2, 10, and 12; section 3.2. Chun teaches extracting **text only** and does not teach extracting a pre-existing static **graphics only** or **text-graphics combination** overlay. In fact, Chun teaches that **all non-text regions** (e.g., graphics) are removed. Chun, Abstract, lines 12-14; section 3.2, first paragraph, lines 4-6; Figures 10-12; section 3.3. Thus, Chun fails to teach "extracting a **pre-existing static graphics only or text-graphics combination overlay** present in a video sequence," and claim 1 is allowable over Chun.

Claims 2, 3, 22, 23, 26, and 27 are dependent from claim 1 and are allowable as being

dependent from an allowable claim.

35 U.S.C. § 102 Rejection Based on Antani

5. In the Office Action on pages 9-17 in section 9, claims 1, 22-27, and 35-39 are rejected under 35 U.S.C. § 102(b) as being unpatentable over S. Antani, "Robust Extraction of Text in Video" (hereinafter Antani). As noted above, claim 39 is cancelled. The Applicant respectfully traverses the rejections.

Claim 1, as amended, recites a "method of video processing to be performed by video processing equipment, the method comprising: extracting a pre-existing static graphics only or text-graphics combination overlay present in a video sequence, said extracting comprising: detecting at least one potential overlay in the video sequence; and verifying that each at least one potential overlay is an actual static overlay that was previously added to an original video sequence to obtain said video sequence." Antani fails to teach, or fairly suggest, claim 1 for at least the following reason.

Antani fails to teach "extracting a **pre-existing static graphics only or text-graphics combination overlay** present in a video sequence" as recited in amended claim 1. In rejecting claim 1, the Office Action aligns the recited overlay with extracting text appearing in video of Antani. In particular, Antani teaches detecting and extracting text in video and the processing the extracted text with optical character recognition (OCR). Antani, Abstract, lines 10-15; section 2. Chun teaches extracting **text only** and does not teach extracting a pre-existing static **graphics only** or **text-graphics combination** overlay. In fact, Chun teaches that **all non-text regions**, such as those having simple shapes (e.g., graphics), are discarded. Antani, section 4, lines 13-15. Thus, Chun fails to teach "extracting a **pre-existing static graphics only or text-graphics**

combination overlay present in a video sequence," and claim 1 is allowable over Chun.

Claims 2 and 22-27 are dependent from claim 1 and are allowable as being dependent from an allowable claim.

Claim 35 recites similar subject matter to that recited in claim 1 and is, thus, allowable for similar reasons. Further, in rejecting claim 35, the Office Action aligned the recited graphical overlay with the text of Antani. The Office Action asserts that "text" is special case of "graphics," by stating: "Artificial caption text is graphical because graphical includes many objects including text." The Office Action's assertion is misplaced. The specification discusses textual overlays as, for example, being able to perform OCR on text, "having characters from various type fonts, sizes, colors, and styles," "having characters from various alphabets, and the words may be various languages," and "vary[ing] widely in terms of their characteristics like font, size, style, and color, which may even vary within a single overlay. See, e.g., specification, paragraphs 5, 8, and 35. The specification also discusses graphics overlays as, for example, logos. See, e.g., specification, paragraphs 6 and 60. The specification also distinguishes between text and graphics. See, e.g., specification, paragraphs 34, 57, 62, and 63. Thus, "text" is not special case of "graphics," and the Office Action's assertion is misplaced. Thus, claim 35 is allowable over Antani.

Claims 36-38 are dependent from claim 35 and are allowable as being dependent from an allowable claim.

Conclusion

All of the stated grounds of rejection have been properly traversed, accommodated, or rendered moot. The Applicant, therefore, respectfully requests that the Examiner reconsider all presently outstanding rejections and that they be withdrawn. The Applicant believes that a full and complete reply has been made to the outstanding Office Action and, as such, the present application is in condition for allowance. If the Examiner believes, for any reason, that personal communication will expedite prosecution of this application, the Examiner is hereby invited to telephone the undersigned at the number provided.

Prompt and favorable consideration of this Amendment is respectfully requested.

Respectfully submitted,

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Michael A. Sartori, Ph.D.
Registration No. 41,289
VENABLE LLP
P.O. Box 34385
Washington, D.C. 20043-9998
Telephone: (202) 344-4000
Fax: (202) 344-8300

MAS/vjw
DC2-860556